

RHODE ISLAND COMMERCE CORPORATION

MEETING OF DIRECTORS

PUBLIC SESSION

The Board of Directors of the Rhode Island Commerce Corporation (the “Corporation”) met on November 23, 2015, in Public Session, beginning at 4:00 p.m. at the offices of the Corporation, located at 315 Iron Horse Way, Suite 101, Providence, RI 02908, pursuant to the public notice of meeting, a copy of which is attached hereto as Exhibit A, as required by applicable Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Governor Gina M. Raimondo, Bernard V. Buonanno III, Mary Jo Kaplan, Michael F. McNally, George Nee, Ronald O’Hanley, Donna M. Sams, Vanessa Toledo-Vickers, and Karl Wadensten.

Directors absent were:, Dr. Nancy Carriuolo, Tim Hebert, Jason Kelly, and Mary Lovejoy

Also present were: Secretary of Commerce Stefan Pryor, Darin Early, Wade Gibson, Jeremy Licht and Thomas Carlotto.

1. CALL TO ORDER AND OPENING REMARKS

The Governor called the meeting to order at 4:03 p.m. indicating that

a quorum was present.

**2. TO CONSIDER FOR APPROVAL THE PUBLIC SESSION MINUTES
FOR THE MEETING HELD ON OCTOBER 26, 2015**

Upon motion duly made by Ms. Toledo-Vickers and seconded by Mr. O'Hanley, the following vote was adopted:

VOTED: To approve the Public Session Minutes for the meeting held on October 26, 2015, as submitted to the Board of Directors.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Mary Jo Kaplan, Michael F. McNally, George Nee, Ronald O'Hanley, Donna M. Sams, and Vanessa Toledo-Vickers.

Voting against the foregoing were: None.

Karl Wadensten arrived at 4:11 p.m.

**3. TO CONSIDER FOR APPROVAL THE ANNUAL BUDGET OF THE
CORPORATION**

The Governor introduced Darin Early to discuss the Corporation's

budget.

Mr. Early noted that at the Board's last meeting the annual budget was presented and that additional detail was provided to the directors over the past month. He went on to emphasize the major differences from the last fiscal year, which principally include the new incentive programs and an increase in general appropriations for the corporation.

Mr. Early then touched upon some of the highlights from the prior budget presentation and underscored a shift from essentially an operating entity to more of an investment management operation. He explained that the operating budget is approximately \$41.5 million with about 75% of that contributed toward the Corporation's programs.

Ms. Toledo-Vickers commented that the layout was useful to get a better understanding of the Corporation's financial picture.

Mr. Buonanno indicated that the Board should consider two things, the first is tracking how the Corporation is doing against expectations, possibly on a quarterly basis, and secondly, understanding how the investments are being made and the outcomes from those investments.

Mr. Early agreed and suggested quarterly reporting would probably

work best.

The Governor inquired if other Board members agreed with reporting on a quarterly basis to which the directors indicated assent. The Governor also suggested that it would be helpful to have an organization chart with the quarterly financials.

Ms. Sams asked how the recruiting process was progressing. Mr. Early explained that a head of investments has been engaged and Luke Pickett was hired to spearhead the Rebuild Tax Credit Program. He also noted a Chief Marketing Officer and lead business developer would likely be engaged shortly.

The Governor spoke about the process and her involvement in interviewing the top people. She also indicated that it would be helpful to report out a dashboard on a quarterly basis and suggested that if other directors have ideas they should provide input to Mr. Early.

Mr. O'Hanley suggested that building upon the Governor's suggestion on the dashboard, a set of specific metrics on each program would be helpful. Mr. Early noted that it may make sense to provide a deeper dive on a rolling basis and Mr. O'Hanley agreed.

Ms. Sams indicated that it is also helpful to have more substantive conversations on a programmatic level to identify any issues that are

not necessarily reflected on a dashboard. The Governor indicated that it would be useful to have the directors of the programs come in on a rolling basis to allow Board members to posit questions.

Mr. Buonanno suggested that Mr. Early may want to focus on the larger programs first and Secretary Pryor agreed with this approach.

Mr. Wadensten asked if it would be possible to have some high level reporting on the whole suite of incentives that are not only under the Corporation's umbrella but also complementary to the Corporation's programs. The Governor indicated that this was a good suggestion that should be considered and Mr. Pryor stated that he would work on the issue.

Ms. Kaplan noted that it would be worthwhile to get feedback from the Corporation's customers. Mr. Pryor explained that the Corporation does have a client services team headed by Liz Tanner that can report out on certain aspects of the Corporation's efforts and client interactions. He also agreed that the Corporation should explore the use of surveys or other related efforts to gauge satisfaction and obtain feedback for areas that may need improvement.

Ms. Toledo-Vickers asked about the deficit in the budget. Ms. Lasky explained that was related to a carry-forward in relation to a federal program.

Upon motion duly made by Ms. Sams and seconded by Mr. O'Hanley,

the following vote was adopted:

VOTED: To approve the annual budget of the Corporation.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Mary Jo Kaplan, Michael F. McNally, George Nee, Ronald O'Hanley, Donna M. Sams, Vanessa Toledo-Vickers, and Karl Wadensten..

Voting against the foregoing were: None.

A copy of the budget is attached hereto as Exhibit B.

4. TO RECEIVE A PRESENTATION REGARDING THE P-TECH PROGRAM

The Governor introduced Wade Gibson to discuss the P-Tech Program.

Mr. Gibson indicated that this was a preview of a program that would be coming for a vote before the Board at the next meeting. He generally discussed the timeline of the program, which aims to have three schools active by the fall of 2016 and at the December meeting the Board will be asked to approve those three schools.

Mr. Wadensten inquired if it was three high schools and Mr. Gibson

explained that it was three high schools but the aim is to create programs within the high schools to allow graduation with an associate's degree.

Mr. Nee asked if it was all career and technical schools and Mr. Gibson explained that the program would be a cohort in three public high schools.

The Governor noted that 70% of jobs paying \$50,000 or more will require a post-secondary degree. She explained that 43% of the adult population in Rhode Island has a post-secondary degree and the state needs to improve upon this situation. P-Tech is aimed at bringing the focus to the issue early on in the education process and other programs are aimed at other segments of the education process and career training.

Mr. Wadensten asked about the funding for the program and the Governor responded that it was part of the administration's first budget.

The Governor asked Robin Golden to discuss the progress of the program.

Ms. Golden indicated that she has been meeting with stakeholders in the process. She explained that there would be three subsets within

the program providing for degrees focused on manufacturing, defense and IT.

Mr. Buonanno asked if it was a four to six year high school program, to which Ms. Golden responded in the affirmative. Mr. Buonanno asked if the students commit to a particular industry in their freshman year. Ms. Golden explained that the students are committing to being college and high school students. Some of the graduates may go on to seek additional education.

Mr. Wadensten asked who would issue the degree and Ms. Golden indicated that CCRI would issue the associate's degree.

Mr. Nee asked if the money will be carried over into the next fiscal year. Ms. Golden stated that the Board will be asked to commit the money now to be expended into the next fiscal year.

Ms. Kaplan asked if the budget was only for the initial year and Secretary Pryor explained that funding is sufficient to develop the program and complete its setup but more will be needed to run the program.

Mr. Gibson next discussed the performance and accountability measures related to the program.

5. TO CONSIDER FOR APPROVAL THE SELECTION OF ONE OR MORE VENDORS TO PROVIDE ECONOMIC FEASIBILITY CONSULTING SERVICES.

Mr. Gibson explained that the matter before the Board is for the selection of consultants for tax and real estate consulting services. He discussed the proposed firms and that the Corporation had worked with the consultants in the past through funding from the Rhode Island Foundation.

He explained that the engagements are for an hourly on call basis.

Secretary Pryor also noted that the Corporation would also rely upon a local accounting firm to ensure compliance with Rhode Island tax laws.

Ms. Kaplan asked if there was a cap and Mr. Early explained that the engagement is limited by the advisory line item in the budget.

Mr. O'Hanley asked if there was any estimate if things are going well with the programs. Mr. Early responded that he expected that early on it would be more substantial as deals ramp up but would lessen over time.

Mr. Wadensten noted that this would be a great item for a dashboard.

Upon motion duly made by Mr. Buonanno and seconded by Mr. O'Hanley, the following vote was adopted:

VOTED: To approve the selection of vendors to provide economic feasibility consulting services, pursuant to the Resolution submitted to the Board of Directors.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Mary Jo Kaplan, Michael F. McNally, George Nee, Ronald O'Hanley, Donna M. Sams, Vanessa Toledo-Vickers, and Karl Wadensten..

Voting against the foregoing were: None.

A copy of the Resolution is attached hereto as Exhibit C.

6. TO CONSIDER GRANTING AUTHORIZATION TO ENGAGE SPECIAL COUNSEL IN RELATION TO CERTAIN ECONOMIC DEVELOPMENT PROJECTS.

Mr. Early explained that the request was to authorize the engagement of special counsel to help advise on specific transactions. He noted that the authority will be used in a specialized manner to engage counsel as programs get off the ground.

Mr. Wadensten asked if this was separate from the budget for general counsel and Mr. Early indicated that it was separate.

Upon motion duly made by Ms. Sams and seconded by Mr. O'Hanley, the following vote was adopted:

VOTED: To grant authority to engage special counsel, pursuant to the Resolution submitted to the Board of Directors.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Mary Jo Kaplan, Michael F. McNally, George Nee, Ronald O'Hanley, Donna M. Sams, Vanessa Toledo-Vickers, and Karl Wadensten.

Voting against the foregoing were: None.

A copy of the Resolution is attached hereto as Exhibit D.

7. TO DISCUSS THE INVESTMENT OF PUBLIC FUNDS IN RELATION TO CERTAIN OF THE CORPORATION'S ECONOMIC DEVELOPMENT INITIATIVES.

Secretary Pryor discussed the status of the Rebuild Tax Credit applications. He explained the goal would be to analyze the first

tranche pursuant to the statutory framework.

The Governor stated that this is a great opportunity for directors to invest some time delving into the programs and the requirements.

Ms. Toledo-Vickers asked how the portfolio of applications looked. Secretary Pryor explained that there was diversity including commercial and residential.

The Governor indicated that she is optimistic about the programs and the applicants to date. The Governor went on to discuss her business development efforts and the need to educate people outside of the state about its benefits and business opportunities.

Vote to Adjourn.

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 4:18 p.m., upon motion made by Mr. Nee and seconded by Mr. O'Hanley.

Thomas Carlotto, Secretary